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HOUSE BILL 2863 By
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SENATE BILL 3094
By Henry

AN ACT to amend Title 9, Chapter 9
relative to tax and revenue
anticipation notes.

WHEREAS, the special taxes under section 9-9-104 were not intended to secure notes
issued in anticipation of tax revenues; now therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 9, Chapter 9 is amended by
deleting Section 9-9-301.

SECTION 2. Tennessee Code Annotated, Title 9, Chapter 10 is amended by
renaming the chapter appropriately and adding the following new section:

(a) Pending the receipt of tax revenues during any fiscal year, the state of
Tennessee, acting by resolutions of its funding board, is hereby authorized and
empowered to issue and sell, either at public or private sale, at not less than par
and accrued interest, its interest-bearing revenue anticipation note or notes. Such

note or notes shall be authorized by resolution of the funding board, shall bear such date or dates, and shall mature at such time or times, including any renewals thereof, as such resolution or resolutions may provide, but shall mature within the fiscal year of their issuance. Such notes shall bear interest at such rate or rates, be in such denominations, be in such form, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places and be subject to such terms of redemption and contain such other terms and provisions, and the State may otherwise provide with respect to the authorization, sale and issuance of such notes, as such resolution or resolutions may provide.

(b) Any resolution or resolutions of the state funding board authorizing the issuance of such tax revenue anticipation note or notes shall provide that the same are issued in anticipation of the tax revenue within the then current fiscal year and shall further provide that the full faith and credit of the state of Tennessee are pledged to the payment of such note or notes. The state funding board shall provide for the payment of the principal of and interest on all notes issued under the provisions of this section as the same shall become due, out of revenues and funds available for such purposes.

(c) The state funding board is hereby authorized to procure such legal and technical advice, approving opinions and such financial assistance as it may consider necessary in connection with the carrying into effect of the provisions of this section, and is also authorized to pay all necessary expenses and

incidental expenses. All such expenses may be funded by notes issued under the provisions of this section.

(d) Nothing in this section shall be construed as either waiving the immunity of the state of Tennessee from suit or as extending its consent to be sued, notwithstanding any other portion or portions of this section to the contrary.

(e) All notes issued hereunder and the interest thereon shall be exempt from taxation by the state, or by any county, municipality or taxing district of the state, except inheritance, transfer and estate taxes.

SECTION 3. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect the provisions or application of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 4. This act shall take effect upon becoming law, the public welfare requiring it.